

SENATE BILL 652
By Cooper J

AN ACT to amend Tennessee Code Annotated, Title 4; Title 29;
Title 39 and Title 56, relative to insurance.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 56, Chapter 1, Part 4, is amended by
adding the following language as a new, appropriately designated section:

56-1-419.

(a)

(1) For the purposes of supervision, regulation, rehabilitation, or liquidation of insurance companies providing malpractice insurance, and in addition to the powers and duties set forth in this title, the department of commerce and insurance has the power to examine and investigate the affairs of every person, entity, company, or organization providing malpractice insurance, an affiliate of the parent of the insurance company providing malpractice insurance, or an affiliate of the insurance company providing malpractice insurance, in order to determine whether the person, entity, company, organization, an affiliate of the parent of the insurance company providing malpractice insurance, or an affiliate of the insurance company providing malpractice insurance, is operating in accordance with the provisions of this title. For purposes of this subsection,

"affiliate" means any entity which exercises control over or is controlled by the insurance company providing malpractice insurance, directly or indirectly through:

(A) Equity ownership of voting securities;

(B) Common managerial control; or

(C) Collusive participation by the management of the insurance company providing malpractice insurance and affiliate in the management of such insurance company or the affiliate.

(2) For purposes of this subsection, "person" includes an individual, insurer, company, association, organization, Lloyds, society, reciprocal insurer or interinsurance exchange, partnership, syndicate, business trust, corporation, agent, general agent, broker, solicitor, service representative, adjuster, and every legal entity.

(3) Any information and documentation obtained by the department pursuant to this section, shall be considered confidential, unless the commissioner in the commissioner's sole discretion determines to disclose such information or documentation.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.